

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE FILING OF AN)
APPLICATION BY THE DELAWARE ELECTRIC)
COOPERATIVE, INC., OF ITS "GREEN)
POWER" RENEWABLE ENERGY RIDER RATE) PSC DOCKET NO. 06-165T
AND RENEWABLE ENERGY PORTFOLIO)
SURCHARGE (FILED MAY 17, 2006 AND)
AMENDED MAY 19, 2006))

ORDER NO. 6918

AND NOW, to-wit, this 23rd day of May, 2006;

WHEREAS, on July 12, 2005, the Delaware General Assembly enacted new legislation, entitled the "Renewable Energy Portfolio Standards Act" ("Act"),¹ which requires retail electricity suppliers in Delaware to derive a percentage of their electricity supply from eligible renewable energy resources. The General Assembly authorized the Delaware Public Service Commission (the "Commission") to administer the Act and, in so doing, directed the Commission to adopt rules governing the Act's implementation by July 31, 2006; and

WHEREAS, pursuant to the Act, each retail electricity supplier, such as the Delaware Electric Cooperative ("DEC"), is required to include in its total retail sales a minimum percentage of electrical energy sales from among certain "eligible energy resources;"² and

WHEREAS, under the Act, DEC may elect to be exempt from the requirements by offering its retail customers a voluntary program for

¹The Act is codified, in main part, at 26 Del. C. §§ 351-363.

²The various types of "eligible energy resources" are defined in the Act at 26 Del. C. § 352(6)(a)-(i).

purchasing renewable energy under competitive rates on or before June 1, 2006; and

WHEREAS, DEC has elected to offer its retail customers a "green energy" option as a "rider" to its standard service offering. In order to comply with 26 Del. C. § 363(3), which requires that DEC have its "green energy" offering in effect by June 1, 2006, it has submitted to the Commission a tariff entitled, "Renewable Energy Rider: Schedule RER, P.S.C. DEL. No. 7 Electric, First Revised Leaf No.-1" ("tariff"). DEC's "green energy" tariff is available to all members/owners taking service from the DEC as of June 1, 2006. Renewable energy will be sold in blocks of 100 kWh of "green power" and customers must take a minimum of one block at a cost of \$0.20 per block. Customers are obligated to take service under this tariff for a minimum period of one year beginning on June 1, 2006 through May 31, 2007. The cost of "green power" will be subject to market conditions and will be reset each June 1; and

WHEREAS, DEC has notified customers of its "green power" offering through bill inserts and notices in its monthly newsletter. Further, DEC will continue to notify customers of the new service offering until July 1, 2006; and

WHEREAS, under the Act, another obligation for DEC to be exempt from the requirements, DEC could either contribute to the Green Energy Fund at levels commensurate with other retail electricity suppliers or create an independent, self-administered fund separate from the Green Energy Fund to be used in support of energy efficiency technologies, renewable energy technologies, or demand-side management programs,

into which they make payments of \$0.178 for each megawatt-hour they sell, transmit, or distribute in this State; and

WHEREAS, on May 19, 2006, in an amendment to this application, DEC has elected to create an independent, self-administered fund to be used in support of energy efficiency technologies, renewable energy technologies, or demand-side management programs and to impose a surcharge of \$.000178 per kWh on all electric supply sales; and

WHEREAS, Staff has requested that DEC, on a quarterly basis, file a report on the collection and distribution of the Renewable Energy Portfolio Surcharge and on an annual basis report the customer participation in the "Green Power" program; and

WHEREAS, the Commission Staff has been in discussions with DEC concerning the application and its amendment, and after having reviewed the tariff leaves, find them to be in the public interest; and

WHEREAS, based upon the recommendations of the Commission Staff and the representations of DEC, the Commission has determined that the approval of DEC's proposed tariff revisions is in the best interest of its customers.

Now, therefore, **IT IS ORDERED:**

1. That in compliance with 26 Del. C. § 363(3), the Commission hereby permits the Delaware Electric Cooperative, Inc.'s tariff filing entitled "Renewable Energy Rider: Schedule RER, P.S.C. DEL. No. 7 Electric, First Revised Leaf No.-1" to become effective on June 1, 2006.

2. That the Commission hereby permits the Renewable Energy Portfolio Surcharge to become effective on June 1, 2006.

3. That the Commission directs the Delaware Electric Cooperative, Inc. to file a report on the collection and distribution of the Renewable Energy Portfolio Surcharge on a quarterly basis and report the customer participation in the "Green Power" program on an annual basis.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary